IN THE HIGH COURT OF JUDICATURE OF
ANDHRA PRADESH
AT HYDERABAD

THE HON'BLE MR. JUSTICE J.CHELAMESWAR

And

THE HON'BLE MR. JUSTICE D.APPA RAO

WRIT PETITION Nos. 8609, 8666 & 8962 OF 2006

Between:

M/s. Vigaz Profiles Limited,
303, Myhome Lakshmi Apartments,
Ameerpet, Hyderabad,
Rep. by its Director, Finance,
Sri B. Suresh

Petitioner in all Writ Petitions

AND

The Commercial Tax Officer,
Punjagutta Circle,
Hyderabad and two others

Respondents in all Writ Petitions

Dated: 23rd November, 2006

COMMON ORAL ORDER:

(Per the Hon'ble Sri Justice J.Chelameswar)

In all these three writ petitions, the petitioner is the same. The petitioner is a limited company engaged in the business of manufacture and sale of Guage Wires, straightened Bars, etc. For the assessment years 1999-2000 and 2000-2001, the liability of the petitioner for tax under Andhra Pradesh General Sales Tax Act (for brevity the Act) (subject matter of WP Nos. 8609 and 8606 of 2006) and the Central Sales Tax Act (subject matter of WP No. 8962 of 2006), came to be determined by the assessing authority – 1st respondent herein. The petitioner herein claimed exemption from the tax on the strength of GO Ms. No. 108 Industries and Commerce (IP) Department dated 20.05.1996. The claim of the petitioner was accepted by the assessing authority. The second respondent, however, in exercise of the powers under Sec. 20(2) of the Act, revised the assessment orders in all the three cases, mentioned above, and came to the conclusion that the petitioner is not entitled for the benefit of the above mentioned G.O.

Aggrieved by the same, the petitioner carried the matter in appeals before the Sales Tax Appellate Tribunal and also filed applications seeking stay of the recovery of the disputed tax. During pendency of the appeals before the Tribunal, the third respondent, by his proceedings

dated 24.03.2006 rejected the same applications. Hence, the present writ petitions.

These writ petitions were admitted on 28.4.2006 and interim stay was granted on the condition of the petitioner furnishing immovable property security for the amount of tax demanded.

Admittedly, the conditional order has not been complied with.

The respondents filed vacate petitions in all these three matters.

Heard the learned Government Pleader.

The learned counsel for the petitioner submitted that due to various reasons (details of which are not necessary for the present purpose), the conditional order could not be complied with by furnishing immoveable property security. The learned counsel for the petitioner submitted that under Sec. 16(c) of the Act, statutory charge on the assets of the assessee is created and it is a sufficient safeguard to protect the interest of the Revenue.

On the other hand, the learned Government Pleader argued that from the balance sheet, it is doubtful whether the petitioner has sufficient assets to satisfy the demand of the Revenue.

In the circumstances, we are of the opinion that the writ petitions can be disposed of directing the respondents not to take coercive steps for recovery of the disputed tax, which is subject matter of dispute, in the appeals, before the Sales Tax Appellate Tribunal pursuant to the revisionary orders passed by the second respondent, referred to earlier, on the condition of the petitioner depositing Rs.25,00,000/- (Rupees twenty five lakhs only) within a period of six weeks from today.

The writ petitions are accordingly disposed of. No order as to costs.

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J.Chelameswar, J.

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D.Appa Rao, J.

November 23, 2006
MAS.